

TALKPOINTS

Advance Child Tax Credit



Key Messages

- Most people got part of their Child Tax Credit in advance last year and they must subtract that amount when figuring the credit for this year's return.
- Check your tax package for instructions on computing your credit.
- Forgot your advance payment amount? Avoid mistakes by check *Your 2003 Advance Child Tax Credit* on www.irs.gov.

Background Information

The Jobs and Growth Tax Relief Reconciliation Act of 2003 raised the Child Tax Credit to a maximum of \$1,000 per child from \$600 per child, beginning in 2003.

Eligible taxpayers who claimed the Child Tax Credit on their 2002 tax returns received an advance payment of the 2003 increase in this credit.

Taxpayers who received this advance payment must reduce their 2003 child tax credit by the amount of the payment.

If you received an advance payment but did not have a qualifying child for 2003, you do not have to pay back the amount you received. Do not enter the amount of your advance payment on your return.

If the advance payment was offset to pay back taxes or other government debts, taxpayers are considered to have received the credit and cannot claim the amount on this year's tax return.

To help taxpayers who may have forgotten the amount of their payment, or misplaced the notice, *Your 2003 Advance Child Tax Credit* on www.irs.gov will be online through December 2004.

Using the IRS web site, taxpayers can verify the amount of their advance child tax credit payments by entering three personal identifiers from their 2002 tax return:

- The taxpayer's Social Security number (SSN) or Individual Taxpayer Identification Number (ITIN);
- The taxpayer's 2002 filing status; and
- The total number of exemptions (not dependents) claimed on the taxpayer's 2002 federal return.

Taxpayers without Internet access can use the automated application available at 1-800-829-1040.